

APN: 1318-22-002-001 and 1318-22-002-002

When recorded, return to:

Feldman McLaughlin Thiel LLP
P.O. Box 1309
Zephyr Cove, NV 89448
Attn: Lewis S. Feldman
(First American Title Ins. Co. - No. 492216-B)

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

This Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing is made as of September 24, 2015, by BEACH CLUB DEVELOPMENT, LLC, a Nevada limited liability company, as trustor ("**Trustor**"), having a notice address of PO Box 12520 Zephyr Cove, Nevada 89448, to FIRST AMERICAN TITLE INSURANCE COMPANY, a Nebraska corporation, as trustee ("**Trustee**"), having a notice address of 2500 Paseo Verde Parkway, #120, Henderson, NV 89074, for the benefit of TAHOE SHORES, LLC, a Nevada limited liability company ("**Beneficiary**"), having a notice address of c/o Feldman McLaughlin Thiel LLP, P.O. Box 1309, Zephyr Cove, NV 89448, Attn: Lewis S. Feldman.

WITNESSETH

FOR GOOD AND VALUABLE CONSIDERATION, TRUSTOR hereby jointly and severally irrevocably grants, bargains, sells, transfers and assigns to Trustee, its successors and assigns, in trust pursuant to this document and Nevada law, WITH POWER OF SALE, the real property located in Douglas County, Nevada, described in **Exhibit "A"** attached hereto and incorporated herein by reference (the "**Real Property**").

TOGETHER WITH all and singular the tenements, hereditaments, rights, rights-of-way, easements, privileges, reversions and appurtenances thereunto belonging, or in anywise appertaining (whether now or hereafter acquired) and the buildings and improvements thereon (all as part of the premises hereby conveyed) which shall be deemed to include but not to be limited to any and all of the following whether now owned or hereafter acquired:

(i) all leases (subject to the absolute assignment hereinafter described) and other agreements affecting the use, enjoyment or occupancy of the premises and/or improvements now or hereafter entered into (the "**Leases**"), and all rents, issues, profits, damages, deposits, royalties, revenue, proceeds and benefits therefrom and from any business or other activity conducted or operated thereon, now existing or hereafter created;

(ii) all improvements, landscaping, fixtures, equipment and building materials and supplies (whether or not annexed thereto or located thereon) now or hereafter used in

connection therewith (collectively, the “**Improvements**”), including, without in any manner limiting the generality of the foregoing, all machinery, materials, appliances and fixtures for generating or distributing air, water, heat, electricity, light, fuel or refrigeration, for ventilating, cooling or sanitary purposes, for the exclusion of vermin or insects and for the removal of dust, refuse or garbage; telephone, computer, security, surveillance and other electronic or similar systems; wall safes, engines, machinery, boilers, furnaces, oil burners, coolers, refrigeration plants, motors, cabinets, shelving, lockers, partitions, doors, vaults, elevators, sprinkling systems, irrigating systems, awnings, window shades, Venetian blinds, curtains, draperies, light fixtures, fire hoses, fire brackets, fire boxes, fire sprinklers, alarm systems, drapery rods, brackets, screens, floor tile, linoleum, carpets, plumbing, water systems and power systems, washers and dryers, incinerators, communication systems, kitchen and other appliances, built-in furniture and bars, walk-in refrigerator boxes, deep freeze cabinets, steam tables, dishwashers, bake ovens, set-up tables, kitchen ranges and any and all other kitchen equipment or installations; and all other and further installations and appliances on the Real Property, all of said items, whether now or hereafter located thereon, shall, at the option of Beneficiary, be deemed to be for all purposes of this instrument a part of the realty;

(iii) all development rights or credits, air rights and all water and water rights (whether riparian, appropriative or otherwise and whether or not appurtenant) in or hereafter relating to or used in connection with the Real Property and any and all shares of stock evidencing any such water rights;

(iv) Trustor’s right, title and interest in and to all reciprocal easement and similar agreements, rights to the nonexclusive use of common drive entries or similar benefits applicable to the Real Property or any part thereof, together with Trustor’s right, title and interest in and to the estates or interests burdened thereby;

(v) all right, title and interest of Trustor in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Real Property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Real Property;

(vi) all the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire in the real property encumbered hereby, and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the real property encumbered hereby, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages;

(vii) all deposits made with or other security given to utility companies by Trustor with respect to the Real Property and/or the Improvements; all advance payments of insurance premiums made by Trustor with respect thereto and all claims or demands relating to such deposits, other security and/or such insurance; and any monies on deposit with or for the benefit of Beneficiary, including but not limited to deposits for the payment of real estate taxes or special assessments against the Real Property, Improvements and/or Leases or for the payment of

premiums on policies of fire and other hazard insurance for or with respect to the Real Property, Improvements and/or Leases;

(viii) all Trustor's rights, title and interests, privileges, benefits and remedies in, to and under all permits, licenses, franchises, certificates, approvals, consents and agreements required for the construction, use, occupancy, marketing or operation of any and all Improvements now or hereinafter erected on the Real Property or any business operated by Trustor thereon, including, without limitation, building permits, zoning approvals and use permits, variances, environmental certificates, licenses, certificates of operation, warranties and guarantees;

(ix) all names under or by which the Real Property or the Improvements or the businesses operated by Trustor thereon may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks, logos, designs, trade names, patents pending and the goodwill associated therewith;

(x) all books and records, signs, customer lists, promotional materials, and general intangibles of Trustor relating to the Real Property and/or Improvements, and all accounts, contract rights, instruments, chattel paper, claims for relief or indemnity, choses in action and other rights of Trustor for payment of money, for property sold or lent, for services rendered, for money lent, or for advances or deposits made relating to the Real Property and/or Improvements, including, without limitation, all property tax refunds and refunds of any other monies paid by or on behalf of Trustor relating to the Real Property and/or Improvements;

(xi) all rights of Trustor to the use, in connection with the Real Property, of any contracts executed by Trustor with any provider of goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with the Real Property and/or Improvements, including:

(1) all agreements heretofore or hereafter entered into with any design architect, landscape architect, civil engineer, electrical engineer, soils engineer, mechanical engineer, or other contractor, architect or engineer in connection with the design or engineering of the Project;

(2) all construction contracts, all subcontracts and all other agreements relating to the construction of the Project or required for the use, occupancy or operation of the Project;

(3) all other agreements heretofore or hereafter entered into with any property manager with respect to the management, leasing, or operation of the Project;

(4) all plans and specifications, designs, drawings, engineering drawings, blueprints, surveys and other matters relating to the existing Improvements or prepared for any construction on or improvements to the Real Property and/or Improvements and all studies, data and drawings related thereto; and

(5) any and all present and future amendments, modifications, supplements, general conditions, change orders and addenda to any of the items described in clauses (1), (2), (3) and (4) above;

(xii) all rights of Trustor as seller or borrower under any agreement, contract, understanding or arrangement pursuant to which Trustor has obtained the agreement of any person or entity to pay or disburse any money for Trustor's sale (or borrowing on the security) of the Real Property and/or Improvements or any part thereof, including all sales agreements, deposit receipts, escrow agreements and other ancillary documents and agreements entered into with respect to the sale to any purchasers of any part of the Real Property or the Improvements, together with all deposits and other proceeds of the sale thereof provided that the foregoing shall not be deemed to permit such sales or transfers in violation of the terms hereof;

(xiii) all rights, if any, of Trustor in or to any fund, program or trust monies and any reimbursement therefrom directly or indirectly established, maintained or administered by any governmental authority or any other individual or entity which is designed to or has the effect or providing funds (whether directly or indirectly or as reimbursement) for the repair or replacement of storage tanks (whether above or below ground) located on the Real Property or the remediation or cleanup of any spill, leakage or contamination from any such tank or resulting from the ownership, use or maintenance of any such tank or to compensate third parties for any personal injury or property damage;

(xiv) all substitutions and replacements of, and accessions and additions to, any of the foregoing; and

(xv) all proceeds of any of the foregoing, including, without limitation, proceeds of any voluntary or involuntary disposition or claim respecting any thereof (pursuant to judgment, condemnation award or otherwise) and all goods, documents, general intangibles, chattel paper and accounts, wherever located, acquired with cash proceeds of any of the foregoing or proceeds thereof.

All property granted, transferred and assigned to Trustee hereunder is hereinafter referred to as the "**Trust Property**," and Trustor warrants that it is well and truly seized of a good and marketable title in fee simple to the real property hereby conveyed; Trustor warrants that its interest in the title to all property conveyed by this Deed of Trust is clear, free and unencumbered, and Trustor shall forever warrant and defend the same unto Trustee, its successors and assigns, against all claims whatsoever, except those matters consented to in writing by Beneficiary. Trustor agrees that any greater title to the Trust Property hereafter acquired by Trustor during the term hereof shall be subject hereto, provided, however, that no merger of title shall occur without Beneficiary's prior written consent.

FOR THE PURPOSE OF SECURING:

One: Payment of the indebtedness evidenced by that certain promissory note (and any renewals, extensions, modifications and substitutions thereof) (the "**Note**"), executed by Trustor of even date herewith, in the principal sum of TWENTY SEVEN MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$27,500,000.00), payable to the order of Beneficiary, together with interest thereon, late charges and collection costs as provided in the Note.

Two: Payment of such additional amounts as may hereafter be loaned by Beneficiary or its successors or assigns to Trustor or its successors or assigns when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

Three: Payment of all moneys herein agreed or provided to be paid by Trustor, including, without limitation, any and all advances made by Beneficiary or its successors or assigns, to protect or preserve the security of this Deed of Trust.

Four: (i) Performance of each agreement of Trustor contained in this Deed of Trust or in any other agreement, document or instrument given by Trustor to secure the indebtedness represented by the Note or executed in connection with the loans evidenced by the Note (collectively, the "**Loan Documents**"); and (ii) the satisfaction of those terms and conditions contained herein if applicable to Trustor or within Trustor's control.

ARTICLE ONE

TRUSTOR'S COVENANTS

TRUSTOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

1.01 Payment of Indebtedness. To perform, observe and comply with each and every provision hereof, of the Note and of all other instruments of security or other agreements entered into in connection herewith, and to promptly pay when due all amounts required to be paid under the Note and other sums required to be paid by Trustor in connection with the loan evidenced by the Note, whether provided for herein or in any other agreement executed by Trustor.

1.02 Payment of Taxes and Other Charges. To pay: (a) before delinquency, all taxes and assessments of every type or nature affecting the Trust Property or any part thereof, including all rents or charges for water, sewer and other utilities (collectively, the "**Impositions**"); (b) all other adverse claims, liens, charges, and encumbrances which now are or shall hereafter be or appear to be a lien on the Trust Property prior to the lien of this Deed of Trust; (c) all taxes upon this Deed of Trust or the interest of Beneficiary herein, or upon the Note or debt secured hereby (excluding federal income taxes or state business taxes payable by Beneficiary); and (d) all assessments, fees, maintenance charges and other expenses payable by Trustor pursuant to any declaration of covenants, conditions, restrictions or easements applicable to the Trust Property or any part thereof. If any law is enacted which imposes payment of all or any of the taxes in the aforesaid clause (c) upon Beneficiary, and the agreement of Trustor, as herein provided, to pay such tax or taxes, is legally inoperative, then the debt hereby secured, without any deduction, shall, at the option of Beneficiary, become immediately due and payable, notwithstanding anything to the contrary contained herein or in any law heretofore or hereafter enacted.

1.03 Insurance. To provide and maintain policies of "all risk" property insurance on the Trust Property, in an amount not less than the full replacement cost from time to time of the improvements, fixtures, and equipment comprising the Trust Property but not, in any event, to be less than the full replacement value thereof, together with a standard mortgagee clause (Form 438BFU or similar) making losses thereunder payable to Beneficiary and a so-called

Replacement Cost or Restoration Endorsement with an Agreed Amount Endorsement. Trustor will also provide public liability and property damage insurance with a single combined liability limit in the amount of at least \$2,000,000.00 and containing a Broad Form Comprehensive General Liability Endorsement; earthquake insurance; flood insurance, if the Real Property or any part thereof lies within a federally designated flood zone; and, when required by Beneficiary, insurance against any other risks as may be designated by Beneficiary. All such policies shall be in amounts acceptable to Beneficiary, shall be with companies or associations of companies authorized to do business in the State of Nevada and rated A or better in the "Best's Insurance Guide", shall name any person designated by Beneficiary (including without limitation, Beneficiary) as additional insureds, shall contain a provision to the effect that the waiver of subrogation rights by the insured does not void coverage, shall contain such special endorsements as may be required by the terms of any Leases, and shall otherwise be in form and substance satisfactory to Beneficiary. Additionally, all such policies of insurance shall not be subject to cancellation without thirty (30) days' prior notice to Beneficiary and shall not be subject to modification without Beneficiary's prior written approval.

If at any time during the term hereof the amount or coverage of insurance which Trustor is required to carry under this Section 1.03 is, in Beneficiary's reasonable judgment, materially less than the amount or type of insurance coverage typically carried by owners or lessees of properties located in Stateline, Douglas County, Nevada, which are similar to and operated for similar purposes as the Trust Property, Beneficiary shall have the right to require Trustor to increase the amount or change the types of insurance coverage required under this Section 1.03.

If the coverage or the insurers that Trustor has obtained or selected fail to adhere to the foregoing standards, Trustor fails to upgrade their coverage, and Beneficiary in its sole discretion determines that such failure could result in a material impairment of Beneficiary's security, Beneficiary may procure appropriate insurance that meets the foregoing standards and may advance funds under the Deed of Trust to pay for such coverage, or if insurance is not available that meets the foregoing standards, Beneficiary shall have the right to declare the indebtedness hereby secured to be immediately due and payable, and thereafter such indebtedness shall be fully due and payable. If Trustor has notice of any condition that would wholly or partially invalidate any such insurance, Trustor shall promptly cure such condition. At least thirty (30) days before expiration of such policies, Trustor shall deliver to Beneficiary renewals thereof, with evidence of premiums paid.

In the event of loss, Trustor shall give prompt notice by mail to Beneficiary, and Beneficiary may make proof of loss if not made promptly by Trustor. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary, instead of to Trustor or Trustor and Beneficiary jointly; such insurance proceeds or any part thereof may be applied by Beneficiary in its sole discretion to the payment of interest due on the indebtedness secured hereby, the reduction of the principal amount of said indebtedness (in the inverse order of maturity), the payment of any other obligation hereby secured, or the restoration or repair of the Trust Property, with the balance, if any, after such application payable to Trustor. Notwithstanding the foregoing, any proceeds attributable to a loss of rents shall be held by Beneficiary for the benefit of Trustor and applied to the payment of interest and principal as and when due under the terms of the Note. Beneficiary shall not be responsible for such insurance or for the collection of any insurance moneys, or for the solvency of any insurer or any insurance underwriter. Application of

insurance proceeds by Beneficiary shall not cure or waive any default hereunder or invalidate any act done hereunder because of any such default.

In the event of sale of the Trust Property under the power of sale herein granted to Trustee, or foreclosure of this Deed of Trust as a mortgage, or in the event Beneficiary or a receiver appointed by the court shall take possession of the Trust Property without sale, all right, title and interest of Trustor in and to all transferable insurance policies covering the Trust Property then in force and any unearned premiums paid thereon shall inure to the benefit of and pass to Beneficiary in possession, receiver or purchaser at such sale, as the case may be, and Beneficiary is hereby appointed attorney-in-fact for Trustor to assign and transfer said policies.

1.04 Care of Property. To keep the Trust Property and all common areas (collectively, the “**Common Areas**”) appurtenant to, or benefiting all or any portion of the Trust Property which are within Trustor's control in good condition and repair, and not to commit or permit waste thereof; not to remove or demolish, nor alter the design or structural character of, any building, fixture, equipment, fence, wall, or other improvements comprising part of the Trust Property, without the prior written consent of Beneficiary; to keep all buildings or improvements comprising part of the Trust Property free of termites, dry rot, fungus, roaches and all other harmful or destructive insects; to keep all plants, trees and shrubs comprising part of the Trust Property neatly pruned and in good condition; to keep the Trust Property free of rubbish and other unsightly or unhealthful conditions; and not to in any way change or restrict the use of the Trust Property or Common Areas without the prior written consent of Beneficiary. Beneficiary or Trustee, or both, may, at any time or from time to time, enter and inspect or protect the Trust Property, in person or by a representative, in such manner and to such extent as it may deem necessary.

1.05 Improvements, Repairs. Subject to the limitations on Trustor's alteration of the Trust Property, as provided in Section 1.04, to promptly complete any improvements that may be commenced in a good and workmanlike manner and, in conformity with plans and specifications approved by Beneficiary, and Trustor shall, with reasonable diligence, repair and restore any portions of the Trust Property that may be damaged or destroyed, whether or not insurance against the cause of such damage or destruction is collected. Trustor shall pay when due all claims for work performed or materials furnished, or both, on or in connection with the Trust Property or any part thereof, and, subject to Section 1.11, shall pay, discharge, or cause to be removed, all mechanic's, artisan's, laborer's or materialmen's charges, liens, claims of liens, or encumbrances upon the Trust Property.

1.06 Actions Affecting Trust Property. To appear in and prosecute or defend any action or proceeding that may affect the Trust Property or the priority of this Deed of Trust, the security of Beneficiary hereunder or the title of Trustee hereunder; and Trustor will pay all reasonable costs, expenses (including the cost of searching title), and attorneys' and paralegal fees incurred in such action or proceeding. Beneficiary or Trustee may, at its option, appear in and defend any action or proceeding purporting to affect the priority of this Deed of Trust or the Trust Property or the rights or powers of Beneficiary or Trustee. Beneficiary, at its option, may (but shall have no obligation to) pay, purchase, contest or compromise any adverse claim, encumbrance, charge or lien, that in the judgment of Beneficiary appears to be prior or superior to the lien of this Deed of Trust (a “**Prior Encumbrance**”). All amounts paid, suffered or incurred by Beneficiary in exercising the

authority herein granted, including reasonable attorneys' and paralegal fees, shall be secured hereby and shall be reimbursed to Beneficiary upon demand. Notwithstanding the foregoing, in the event Beneficiary pays, purchases, or expends any sums to discharge in full or in part any such Prior Encumbrance, Beneficiary shall be subrogated to the lien position of the holder of the Prior Encumbrance to the extent of any such payment, purchase or sum expended.

1.07 Laws. To comply with all laws, ordinances, regulations, orders, rules, covenants, conditions and restrictions affecting the Trust Property, and not to suffer or permit any act to be done in or upon the Trust Property or in or upon any Common Areas within Trustor's control in violation thereof, and to preserve and keep in full force and effect all licenses and permits affecting Trustor or the Trust Property or the Common Areas within Trustor's control. Trustor shall promptly comply with and deliver to Beneficiary copies of all notices received by Trustor alleging any violation of any laws, ordinances, regulations, orders, rules, covenants, conditions or restrictions affecting the Trust Property or Common Areas.

1.08 Beneficiary's Right to Perform. That, if Trustor fails to do so, Beneficiary may (but shall not be obligated to) do any or all things required of Trustor by any of the provisions of this Deed of Trust and incur and pay all reasonable expenses in connection therewith. Any amounts paid out or advanced pursuant to this Section 1.08 or any other provision of this Deed of Trust for the performance of any obligation of Trustor or to protect Beneficiary's security interest shall be deemed obligatory advances regardless of the person to whom such funds are furnished and such advances, together with interest thereon, shall be secured by this Deed of Trust.

1.09 Beneficiary's Expenses. To reimburse Trustee and Beneficiary, respectively, promptly upon demand, all sums of money which either shall pay pursuant to any of the provisions of this Deed of Trust, together with interest thereon, until repaid, from the time of the payment thereof, at the default rate payable pursuant to Section 2.5 of the Note (the "**Default Rate**").

1.10 Financial Information. When requested by Beneficiary, Trustor shall promptly deliver, in writing, such information regarding Trustor or the Trust Property as Beneficiary reasonably requests. In addition, Trustor shall deliver to Beneficiary, within ninety (90) days following the end of each fiscal year of Trustor, a rent roll for the Trust Property, certified by the Trustor, setting forth such information as Beneficiary may require, including, without limitation, a listing of all tenants of the Trust Property, the amount of periodic rent payable under the Leases, including, without limitation, the amount of deposits or refundable deposits held by Trustor, the expiration date of each Lease, and the existence of any options to extend or renew the lease term. Trustor further agrees that Beneficiary may have access to the books and records of Trustor, at Trustor's principal place of business and during normal business hours, to enable Beneficiary to verify the information furnished Beneficiary pursuant to this paragraph. Any intentional material error or omission in such statements shall, at the option of Beneficiary, constitute an Event of Default hereunder.

1.11 Right of Contest. The validity or the amount of any tax or statutory lien upon the Trust Property may be contested by Trustor by appropriate proceedings, in good faith and with reasonable diligence, and, during the period of such contest, the nonpayment of such tax or lien (the "**Contested Lien**") shall not be the cause of an Event of Default, if and only if:

(a) The Contested Lien is discharged of record, if permitted under applicable law, and such contest shall have the effect of preventing the collection of the amount of the Contested Lien and the enforcement of the Contested Lien as a lien or charge upon the Trust Property;

(b) Such contest does not involve a forfeiture or sale of the Trust Property or otherwise impair or adversely affect the lien hereof;

(c) Trustor gives reasonable advance written notice to Beneficiary of Trustor's intention to contest the validity or the amount of such Contested Lien; and

(d) Prior to such contest, Trustor provides evidence reasonably satisfactory to Beneficiary of Trustor's ability to pay the amount of such Contested Lien if the validity thereof is sustained by a court of competent jurisdiction.

1.12 Hazardous Waste. The real property and improvements constituting the Trust Property have not contained, do not presently contain, and Trustor shall not suffer or permit such property to contain or to be used in any manner for the storage, use or disposal of, (a) any oil, petroleum or any other hazardous or toxic chemical, material, substance or waste as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 *et seq.*, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 *et seq.*, any applicable state laws (including, without limitation, NRS 40.504 or NRS 459.400 *et seq.*) or any regulations adopted pursuant to any of the foregoing; (b) asbestos in any form which is or could become friable; (c) urea formaldehyde foam insulation; (d) transformers or other equipment which contain dielectric fluids containing levels of polychlorinated biphenyls, in excess of fifty (50) parts per million; (e) any other chemical, material, or substance exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Trust Property or the owners of property adjacent to the Trust Property or clean up obligations upon an owner of the Trust Property. There is no underground storage tank on the Trust Property. Trustor has not stored nor caused to be stored any of the equipment or substances described in subsections (a) through (e) of this Section 1.13 on, in, under, or about the Trust Property. The Trust Property is not subject to any federal, state or local "superfund" lien, proceedings, claim, liability or action, or the threat or likelihood thereof, for the cleanup, removal or remediation of any hazardous substance from the Trust Property or from any other real property owned or controlled by Trustor or in which Trustor has any interest, legal or equitable, in Nevada. Trustor shall forthwith notify Beneficiary in writing of any notices of environmental violations affecting the Trust Property, or any other real property owned by Trustor in Nevada, which notice shall include a copy of the notice of violation. Trustor hereby grants to Beneficiary, its agents, employees, consultants and contractors the right to enter upon the Trust Property and to perform such tests of the Trust Property as are reasonably necessary to determine Trustor's compliance with this Section or, should Beneficiary elect to do so in its sole and absolute discretion, to correct any violation of the laws or regulations of the nature described in this Section.

1.13 Indemnity. Trustor shall indemnify, defend, protect and hold Beneficiary and Trustee harmless from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs or expense (including attorneys' fees) arising from or in connection with, or caused by (i) any act, omission or negligence of Trustor or any tenant of the Trust Property, or their respective contractors, licensees, invitees, agents, servants or employees, wheresoever the same may occur, or (ii) any use of the Trust Property, or any part thereof, and any service delivery facilities excluding any such claims, loss, proceedings, damages, cause of action, liability, costs or expense (including attorneys' fees) arising from or in connection with, or caused solely by, Beneficiary's active negligence or willful misconduct after the entry of possession upon the Trust Property by Beneficiary or its agents pursuant to Article Four of this Deed of Trust; or (iii) the use, storage, existence or generation of any hazardous substance or materials of the type described in Section 1.13 either upon or in connection with the Trust Property, including, without limitation, the cost of any clean up, removal, remediation or other response required by any governmental entity having jurisdiction over such matters, or (iv) any failure of Trustor or the Trust Property to comply with any requirements of The Americans With Disabilities Act, 42 U.S.C. § 12101, et seq., and all applicable rules and regulations promulgated thereunder (the "ADA"). The provisions of this Section 1.14 shall survive the repayment of the obligations secured hereby and shall survive any foreclosure, transfer by deed in lieu of foreclosure or other sale hereunder. Trustor has delivered to Beneficiary, of even date herewith, the Environmental Indemnity, which contains obligations of Trustor independent of those set forth herein. To the extent the terms of the Environmental Indemnity are inconsistent with those set forth herein, the former shall prevail.

1.14. Management of Trust Property. Trustor agrees and acknowledges that the identity of the operator and manager of the Trust Property is a material consideration to Beneficiary's decision to extend the indebtedness evidenced by the Note, and Trustor therefore covenants and agrees that it shall not, for so long as any indebtedness or other obligations of Trustor to Beneficiary remain unpaid or unperformed, employ, retain or contract with any other person or entity to operate and manage the Trust Property (a "**Manager**") without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld. Trustor agrees that it shall submit to Beneficiary a request for written consent to any Manager at least 45 days prior to entering into any arrangement or contract with such Manager, together with such financial statements, operating history and other business information and references relating to such Manager as Beneficiary may request. It shall be a condition precedent to the effectiveness to any consent by Beneficiary to a Manager that it shall have reviewed and approved the form of management agreement, which shall be in writing, to be entered into between Trustor and such Manager, and that such agreement shall be collaterally assigned to Beneficiary as additional collateral security for the indebtedness evidenced by the Note and all other obligations of Trustor to Beneficiary under the Loan Documents. Such assignment shall be in form and substance satisfactory to Beneficiary in its sole and absolute discretion.

ARTICLE TWO

ASSIGNMENT OF RENTS

2.01 Assignment of Rents. Notwithstanding anything to the contrary contained in this Deed of Trust, all of the existing and future rents, issues, profits, income, revenues, security and other tenant deposits arising out of or otherwise relating to the Trust Property or any part thereof or

from the operation or conduct of any business or other activity thereon by Trustor, together with the Leases are hereby presently and absolutely assigned to Beneficiary and are subject to an Assignment of Leases, Rents, Income and Profits dated of even date herewith ("**Assignment**") from Trustor, as assignor, to Beneficiary, as assignee. Trustor hereby authorizes and directs the tenants of the Trust Property that, upon written notice from Beneficiary and after the occurrence of an Event of Default, all payments required under the Leases, or in any way respecting same, shall be made directly to Beneficiary as they become due. Trustor hereby relieves the tenants from any liability to Trustor by reason of said payments being made to Beneficiary. Nevertheless, until Beneficiary gives written notice to the tenants of the Trust Property to make such payments to Beneficiary, Trustor is given conditional permission to collect and retain all such rents and/or payments in accordance with the terms of the Assignment. Beneficiary is hereby authorized to give such notification upon the occurrence of any Event of Default hereunder.

2.02 Insurance Proceeds. All proceeds of any insurance required by Section 1.03 are hereby assigned to Beneficiary, subject to the provisions of Section 1.03.

2.03 Condemnation and Other Proceedings. All judgments, awards of damages and settlements hereafter made as a result of or in lieu of any condemnation or other proceedings for public use of or for any damage to the Trust Property or any part thereof and any award for change of grade of streets thereon are hereby assigned and shall be paid to Beneficiary. Beneficiary shall have the right to participate in any such proceedings, and Trustor shall not settle or otherwise resolve any such proceedings or execute or deliver any deed in lieu thereof without the prior written consent of Beneficiary. Trustor agrees to execute such further assignments of any such award, judgment or settlement as Beneficiary may reasonably require, and to deliver to Beneficiary all proceeds of any such award, judgment or settlement which may be received by Trustor. Any such monies shall be applied in the same manner and with the same effect as provided in this Deed of Trust for the disposition of the proceeds of fire and other insurance.

2.04 Royalties. Trustor hereby assigns and transfers to Beneficiary all damages, royalties and revenue of every kind, nature and description whatsoever that Trustor may be entitled to receive whether by reason of loss of or damage to the Trust Property or from any person owning or having or hereafter acquiring a right to the oil, gas or mineral rights and reservations of the Trust Property, together with the right in Beneficiary to receive and receipt therefor and apply the same to the indebtedness hereby secured either before or after any default hereunder, and Beneficiary may demand, sue for and recover any such payments but shall not be required so to do.

2.05 Application. Neither the application nor the release of any sums described in this Article Two shall cure or waive any Event of Default or notice of breach and election to sell hereunder or notice of sale or invalidate any act done pursuant to such notice.

ARTICLE THREE

SECURITY AGREEMENT AND FIXTURE FILING

3.01 Security Agreement. Trustor hereby grants to Beneficiary a security interest under the Nevada Uniform Commercial Code (the "UCC") in and to such portions of the Trust Property

as may constitute goods, accounts, general intangibles, chattel paper, inventory, fixtures, equipment or other personal property, and any replacements, modifications or additions thereof or thereto, whether now or hereafter acquired, and any and all "**Proceeds**" thereof. As used herein, "Proceeds" has the meaning assigned to it under the UCC, and, in any event, shall include but not be limited to (i) any and all proceeds of any insurance (including without limitation, property, casualty and title insurance), indemnity, warranty or guaranty payable from time to time with respect to any of the Trust Property (including without limitation the provisions of the security agreement contained herein); (ii) any and all proceeds in the form of accounts, security or other tenant deposits, prepaid expenses, tax escrows, down payments (to the extent the same may be pledged under applicable law), collections, contract rights, documents, instruments, chattel papers, liens and security instruments, guaranties (whether such guaranties are given by individuals, corporations, partnerships, or by any federal, state or local government or quasi-government entities), or general intangibles relating in whole or in part to the Trust Property and all rights and remedies of whatever kind or nature Trustor may hold or acquire for the purpose of securing or enforcing any obligations due Trustor thereunder; (iii) any and all payments (in any form whatsoever) made or due and payable from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Trust Property by any governmental authority; (iv) the rents, issues and profits or other benefits, including security or other tenant deposits, arising out of, in connection with or pursuant to any lease, license or other use of the Trust Property or any part thereof, including, without limitation, any business or other activity operated or conducted on the Trust Property or any part thereof; and (v) any and all other amounts from time to time paid or payable in connection with any of the Trust Property.

Trustor shall execute any and all documents and writings, including without limitation financing statements, as Beneficiary may reasonably request, to preserve and maintain the priority of the security interest created hereby on property which may be subject to the foregoing security agreement, and shall pay to Beneficiary on demand any reasonable expenses incurred by Beneficiary in connection with the preparation, execution and filing of any such documents. Trustor hereby authorizes and empowers Beneficiary to execute and file, on Trustor's behalf, all financing statements and refilings and continuations thereof as Beneficiary deems necessary or advisable to create, preserve and protect said security interest. This Deed of Trust shall be deemed a security agreement as defined in the UCC and the remedies for any violation of the covenants, terms and conditions to the agreements contained in this Deed of Trust shall be (i) as prescribed herein, (ii) as available under general law, (iii) as to such part of the collateral which is also reflected in a financing statement by the specific statutory consequences now or hereafter enacted and specified in the UCC, or (iv) any combination of the foregoing, all at Beneficiary's sole election. A photographic or other reproduction of this Deed of Trust shall be sufficient as a financing statement for filing wherever filing may be necessary to perfect or continue the security interest granted herein.

Trustor and Beneficiary agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing Beneficiary's option, as provided in this Deed of Trust, that everything used in connection with the production of income from the Trust Property and/or adapted for use therein and/or which is described or reflected in this Deed of Trust, at all times and for all purposes and in all

proceedings both legal or equitable, may be regarded as part of the real property encumbered by this Deed of Trust.

All property which is subject to the provisions of this security agreement shall be purchased or obtained by Trustor in its name and free and clear of any lien or encumbrance, except the lien hereof, for use only at the Trust Property, and shall be and at all times remain free and clear of any lease or similar arrangement, chattel financing, installment sale agreement, security agreement and any encumbrance of like kind, so that the lien hereof shall attach to and vest in Trustor for the benefit of Beneficiary, with the priority herein specified, immediately upon the installation or use of the same in the Trust Property, and Trustor warrants and represents that Beneficiary's security interest in such property is a validly attached and binding lien, properly perfected and prior to all other liens therein.

Trustor agrees that all property of every nature and description covered by the lien and charge of this Deed of Trust, together with all such property and interests covered by such security interest or interests, are encumbered as a unit, and upon the occurrence of an Event of Default hereunder, or under any security or other agreement now or hereafter securing the indebtedness hereby secured, at Beneficiary's option, may be foreclosed upon or sold in the same proceedings or at the same time, and all of said property and interests may, at Beneficiary's option be sold as such in one unit as a going business and not in lots or parcels, or, at Beneficiary's option, may be sold in lots, parcels or such other convenient designation as Beneficiary in its sole discretion may elect.

3.02 Fixture Filing. Trustor agrees that the filing of this Deed of Trust in the real estate records of the county where the real property described in **Exhibit "A"** is located shall also operate from the time of filing as a fixture filing in accordance with the UCC. The address of the secured party from which information concerning the security interests granted hereunder may be obtained is the address of Beneficiary set forth on page 1 above.

ARTICLE FOUR

EVENTS OF DEFAULT AND REMEDIES

4.01 Event of Default. The term "**Event of Default**," wherever used in this Deed of Trust, shall mean any one or more of the following events (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) Failure by Trustor to pay (1) any periodic installment of interest, principal and interest or principal payable under the Note when due, and if the same shall remain unpaid for ten (10) days after such due date; or (2) the outstanding principal balance of the indebtedness evidenced by the Note at maturity; or (3) any taxes and assessments prior to delinquency; or (4) any renewal insurance premiums thirty (30) days prior to expiration or cancellation of existing policies; or (5) any other sums to be paid by Trustor hereunder or under any other instrument securing the Note when due or, if a due date is not specified, then failure to pay such sums within five (5) days after written demand by Beneficiary.

(b) If any intentional material inaccuracy shall exist in any of the financial statements or in any other information furnished by or to be furnished by or on behalf of Trustor to Beneficiary pursuant to the provisions of this Deed of Trust or furnished or to be furnished to Beneficiary to induce Beneficiary to make the loan evidenced by the Note.

(c) (1) The filing by or against Trustor of a petition in bankruptcy or for relief under any bankruptcy or similar laws, and with respect to a petition filed against Trustor, such petition is not dismissed within sixty (60) days after it is filed; or (2) the entry of an order for relief with respect to Trustor under any federal or state law relating to bankruptcy or insolvency; or (3) if Trustor seeks or consents to or acquiesces in the appointment of any trustee, receiver, master, sequestrator or liquidator of itself or of all of the rent, revenues, issues, earnings, profits or income from the Trust Property or any part thereof; or (4) if Trustor makes any general assignment for the benefit of creditors; or (5) if Trustor is or becomes insolvent (under any definition of such term); or (6) any trustee, receiver, sequestrator or liquidator of Trustor or any part of the Trust Property is appointed and, in the case of any involuntary proceeding, such action is not dismissed within sixty (60) days; or (7) the cessation, dissolution or abandonment by Trustor of the Trust Property; or (8) the attachment, execution, commencement of foreclosure against or other judicial seizure of or affecting the Trust Property or material part thereof, unless Trustor dissolves, bonds against, or otherwise eliminates such action, attachment, execution or seizure within fifteen (15) days of its occurrence.

(d) The entry by any court of competent jurisdiction of a judgment or decree that an undertaking by Trustor as herein provided to pay the Note or any interest thereon, or any taxes, assessments, levies, liabilities, obligations or encumbrances is legally inoperative or cannot be enforced, or in the event of the passage of any law changing in any way or respect the laws now in force for the taxation of deeds of trust or mortgages or debts secured thereby for any purpose, or the manner of collection of any such taxes, so as to affect adversely either the security of this Deed of Trust, the indebtedness or other sums secured hereby, the rate of interest on the Note or all or any portion of the indebtedness, and such judgment shall not be appealed and stayed pending appeal within ten (10) days after entry thereof.

(e) Except as otherwise provided in Section 1.11 hereof, Default in any obligation of Trustor owed to a third party and secured by a lien on the Trust Property.

(f) Subject to Section 1.11 hereof, whether by operation of law or otherwise, Trustor shall create or permit the creation of any lien or other encumbrance upon the Trust Property, except for assessment and taxes levied but not yet due and payable.

(g) A breach of the provisions of Section 1.03 hereof.

(h) A Disposition or an Encumbrance (as such terms are defined in Section 5.01 hereof) in violation of the provisions of Section 5.01 hereof, or the occurrence of an Event of Default as specified in Section 5.03(d) hereof.

(i) Failure by Trustor to duly keep, perform and observe any other covenant, condition or agreement in the Note, this Deed of Trust or any other agreement or instrument executed by Trustor evidencing or securing the indebtedness evidenced by the Note within the time periods provided therein, and (except as otherwise provided in any other provision of this Section 4.01) with respect to any curable, non-monetary Event of Default having no specific time period within which such act or event becomes an Event of Default, Trustor shall have received from Beneficiary twenty (20) days' notice specifying the defect or failure and shall have failed to comply with such notice, provided, however, that the right to cure such default shall exist only so long as (i) no forfeiture or taking of the Trust Property can occur during the period of such curing and (ii) no other Event of Default shall exist or be continuing.

(j) The occurrence of any of the events described in Section 4.01 (b) or 4.01 (c) with respect to any guarantor of the Note.

4.02 Acceleration; Sale. Upon the occurrence of an Event of Default, Beneficiary, without further notice or demand, may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature of such default, which notice may contain an election to cause the Trust Property to be sold under this Deed of Trust. Notice of acceleration to Trustor shall not be required. If Beneficiary elects to cause the sale of the Trust Property, Beneficiary shall deposit with Trustee this Deed of Trust, the Note, and all documents evidencing expenditures secured hereby. Trustee shall record and give such notices of breach and election to sell by trustee's sale in the manner required by law, and after the lapse of time such as then may be required by law, Trustee, without notice to Trustor, under the power of sale contained herein, shall sell the Trust Property at the time and place fixed by it in said notice of trustee's sale, either as a whole or in separate parcels, and in such order as Beneficiary may determine, subject to any statutory or common law right which Trustor may have to direct such order, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale, provided that Beneficiary, in lieu of a cash bid, may bid in all or part of the indebtedness hereby secured. Trustee may postpone sale of all or any portion of the Trust Property by public declaration at such time and place of sale, and from time to time thereafter may postpone such sale by public declaration at the time and place fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Trust Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person including Trustee or Beneficiary may purchase at such sale. After deducting all costs, fees and expenses of Trustee incurred in connection with such sale, including costs to insure or obtain evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the Default Rate; all other sums secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

4.03 Notices. Trustee is not obligated to notify any party hereto of any pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee and relating to the Trust Property or unless otherwise required by law.

4.04 Foreclosure Permitted. In lieu of sale pursuant to the power of sale conferred hereby, at the option of Beneficiary this Deed of Trust may be foreclosed in the same manner provided for by law for the foreclosure of mortgages on real property. Beneficiary shall also have all other rights and remedies, available to it hereunder, and otherwise available at law or in equity. All rights and remedies shall be cumulative.

4.05 Possession after Default. Upon the occurrence of an Event of Default, Beneficiary shall be entitled at any time without notice, in its sole discretion, either by its agents, attorneys, employees, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, to enter upon and take possession of the Trust Property or any part thereof, and Trustor shall upon demand peaceably surrender possession thereof to Beneficiary or the receiver. Beneficiary, in its name and/or in the name of Trustor, may operate and maintain all or any portion of the Trust Property or any business or other activity conducted or operated thereon to such extent as Beneficiary deems advisable, and Trustor agrees that Beneficiary shall be entitled to do and perform any acts necessary or proper to preserve the value of the Trust Property, and to sue for and otherwise collect and receive all rents, issues, income and profits thereof and from the operation of any business or other activity conducted or operated thereon, including those past due and unpaid as well as those accruing thereafter, and may rent or lease the Trust Property or any portion thereof to such person or persons and for such periods of time and on such terms and conditions as Beneficiary in its discretion may determine. Trustor further agrees that Beneficiary may also take possession of, and use, any and all personal property of Trustor contained in the Trust Property or used by Trustor in the rental or leasing of the Trust Property or any part thereof. Beneficiary may apply all such rents, issues, profits and income collected or received by it to the payment of the costs and expenses incurred in the operation of the Trust Property or to protect and preserve the security thereof, and then in the manner hereinabove specified in respect of proceeds of sale of the Trust Property or any business or other activity conducted or operated thereon, or any part or all of such moneys may be released by Beneficiary at its sole option. The expenses (including receiver's fees, if any, and compensation to any agent appointed by Beneficiary, and counsel fees and costs and disbursements, including paralegal fees) incurred in taking possession and effecting collection or attempting to take possession and effect collection, shall be deemed an expense of this Deed of Trust to be paid by Trustor and secured hereby. Neither the entering upon and taking possession of the Trust Property nor the collection of such rents, issues, profits and income and the application or release thereof as aforesaid, shall cure or waive any Event of Default or notice of breach and election to sell hereunder or notice of sale or invalidate any act done pursuant to such notice. In dealing with the Trust Property or any related personal property, Beneficiary shall not be deemed to be a mortgagee in possession, except at its option, and Beneficiary shall be without any liability, charge or obligation to Trustor with respect to such dealing, except for liability for willful misconduct and gross negligence, and all net losses, costs and expenses incurred shall be secured hereby and payable by advancements reimbursed by Trustor to Beneficiary upon demand.

4.06 Additional Security. If the indebtedness secured hereby is now or hereafter further secured by chattel mortgages, security interests, deeds of trust, pledges, contracts of guaranty, letters of credit, assignments of rents, assignments of insurance policies or other additional security, Beneficiary, in its sole and absolute discretion, may exhaust all or any portion of such security as well as the security hereunder, either concurrently or independently and in such order as it may

determine in its sole and absolute discretion, and may apply the proceeds received upon the indebtedness secured hereby without affecting the status of, or waiving any right to exhaust, all or any other security including the security hereunder and without waiving any breach or default or any right or power, whether exercised hereunder or contained herein or in any such other security agreement or instrument. Trustor hereby waives any right or privilege which it or its creditors might otherwise have to require Trustee and/or Beneficiary to proceed against the assets encumbered hereby or by any other security agreements or instruments securing the Note in any particular order or fashion under any legal or equitable doctrine or under principles of marshaling or suretyship, and further agree that upon the occurrence of an Event of Default hereunder or under any such agreement or instrument and after the expiration of any applicable grace period following notice, Beneficiary may proceed to exercise any or all remedies with regard to any or all assets encumbered hereby or by any other security agreements or instruments securing the Note in such manner and order as Beneficiary in its sole and absolute discretion may determine.

4.07 Acceptance of Sums After Default. The acceptance by Beneficiary of any sum in payment, or part payment, of any indebtedness secured hereby, after the same is due or after the giving of any notice of default, or the giving or recording of any notice of breach, or after giving of any notice of sale, shall not constitute a waiver of the right to require prompt payment, when due, of all other sums so secured, nor shall such acceptance cure or waive any remaining Event of Default or invalidate any sale held pursuant to such notice for any such remaining Event of Default, or prejudice any of the rights of Beneficiary under this Deed of Trust. Notwithstanding anything to the contrary contained in this Deed of Trust or in any other agreement securing the Note and without limiting the generality of this Section 4.07, in the case of any Event of Default, Beneficiary may accept payments or performance of any obligations due hereunder without thereby waiving the existence of such Event of Default if the payment or performance is not sufficient to completely cure such Event of Default.

4.08 Beneficiary's Costs. In the event Beneficiary deems it necessary to employ legal counsel or to take legal action to collect the indebtedness secured hereby, to enforce any provision hereof, to prepare any modification, renewal or extension of the Note, this Deed of Trust, or any related loan or security document, to prepare documents regarding any transfer of all or any part of the Trust Property, or to protect any of Beneficiary's rights hereunder (including any protection of Beneficiary's rights in connection with any proceedings under any state or federal bankruptcy or insolvency laws and in connection with any appellate proceedings), Trustor covenants and agrees to pay to Beneficiary, in addition to taxable costs of any legal proceeding or action, attorneys' fees and paralegal fees actually incurred, and all reasonable costs of preparation and conduct of such proceedings and documents, including costs of title searches and title policy commitments, all of which shall be secured hereby and, if paid by Beneficiary, shall bear interest at the Default Rate from the date such sums are evidenced by Beneficiary.

4.09 Default Rate and Late Charges. Upon the occurrence of an Event of Default, or if the outstanding principal balance of the Note is not paid on the Maturity Date specified in the Note, the entire unpaid balance of the Note, at the Beneficiary's option, shall bear interest at the Default Rate from the date of the Event of Default or the Maturity Date, as applicable.

ARTICLE FIVE
DUE ON SALE OR ENCUMBRANCE

5.01 Due on Sale or Encumbrance. Upon the voluntary or involuntary sale, lease, exchange, assignment, conveyance, transfer or other disposition (herein collectively called "**Disposition**") of all or any portion of the Trust Property (or any interest therein), or all or any part of the beneficial ownership interest in Trustor (if Trustor is a corporation, partnership, trust, or other legal entity), including, but not by way of limitation, a Disposition of all or any portion of the Trust Property (or any interest therein), or all or any portion of the beneficial interest in Trustor between or among Trustor (if more than one) or co-owners of any Trustor, or, except as otherwise provided in Section 5.02, in the event Trustor conveys or grants to any other person a lien or a security interest in the Trust Property or any part thereof or voluntarily or involuntarily permits or suffers the Trust Property to be further encumbered (herein collectively called "**Encumbrance**"), then Beneficiary may at its option, declare an Event of Default hereunder and in connection therewith enforce any and all of its rights, remedies and recourses as set forth in this Deed of Trust and any other loan documents entered into in connection with the loan secured hereby; provided, however, Beneficiary shall not enforce such rights, remedies, and recourses if, prior to the Disposition or Encumbrance, it consents in writing to the Disposition or Encumbrance in question. It is expressly agreed that in connection with determining whether to grant or withhold such consent the determination made by Beneficiary shall be conclusive and Beneficiary may require as conditions to granting such consent (1) an increase in the rate of interest payable under the Note, (2) payment to Beneficiary of a transfer fee equal to one percent (1.0%) of the outstanding Note balance, (3) payment of Beneficiary's reasonable attorneys' fees in connection with such Disposition or Encumbrance, and (4) the express assumption of the payment of the indebtedness and performance of the obligations of the Trustor by the party to whom such Disposition will be made (with or without the release of Trustor from liability for such indebtedness and obligations).

5.02 Subordination. By accepting this Deed of Trust, Beneficiary agrees to subordinate the liens, security interest and assignments hereunder to a deed of trust, security agreement and assignment of rents securing a construction loan from an institutional lender for the construction of 143 residential for-sale condominium units and related amenities and a separate clubhouse on the Real Property (the "**Project**"), provided that (i) at the time of such subordination such construction lender advances funds sufficient, together with any necessary Trustor funds, to design, develop, construct and complete the Project and (ii) such subordination shall be subject to the execution and delivery by such construction lender of an intercreditor agreement with Beneficiary acceptable to Beneficiary.

ARTICLE SIX
MISCELLANEOUS PROVISIONS

6.01 No Waiver or Release. Without affecting the liability of Trustor, any guarantor, co-maker or endorser of the Note or any person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Beneficiary with respect to any security not expressly

released in writing, Beneficiary may, at any time and from time to time, either before or after maturity of the Note, and without notice or consent:

- (a) Release any guarantor or other person liable for payment of all or any part of the indebtedness or for performance of any obligation secured hereby.
- (b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness secured hereby, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof.
- (c) Exercise or refrain from exercising or waive any right or remedy Beneficiary may have.
- (d) Accept additional security of any kind.
- (e) Consent to the filing of any map, plat or replat of the Trust Property.
- (f) Consent to the granting of any easement on the Trust Property.
- (g) Make or consent to any agreement with Trustor changing the terms of this Deed of Trust, releasing all or any part of the security or collateral for the Note or subordinating the lien or any charge hereof.

6.02 Successor Trustee. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor; in addition Beneficiary in its discretion may appoint another Trustee in the place and stead of said Trustee or any successor in trust. The title herein conveyed to Trustee shall be vested in said successor, which appointment shall be in writing and shall be duly recorded in the Recorder's Office of the county in which the above-described land is situated.

6.03 Irrevocable Trust. The trusts herein created are irrevocable.

6.04 No Offset. No offset or claim that Trustor now has or may in the future have against Beneficiary shall relieve Trustor from paying installments or performing any other obligation herein or otherwise secured hereby. Trustor within ten (10) days after any request of Beneficiary, shall furnish a written statement of the amount due on the Note and a description of any alleged offsets, counterclaims, or defenses to the payment thereof.

6.05 Further Assurances. Trustor shall execute and deliver to Beneficiary, upon demand, any additional instruments or security documents necessary to secure to Beneficiary or to Trustee any right or interest granted by this Deed of Trust. If any rights, easements or other hereditaments shall hereafter become appurtenant to the Trust Property, or any part thereof, Trustor shall deliver to Beneficiary, upon demand, a supplemental deed of trust in the form approved by Beneficiary covering such rights and interests.

6.06 Business Purpose. The proceeds of the Note secured hereby shall be used by Trustor exclusively for commercial, investment or business purposes and not for personal, family or household purposes.

6.07 Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey, without warranty, the estate in the Trust Property then held by Trustee. The grantee in such reconveyance may be designated and described as the "person or persons legally entitled thereto," or by other appropriate terms.

6.08 Construction. Subject to the provisions of Section 5.01, this Deed of Trust shall inure to and bind the heirs, legatees, administrators, executors, successors and assigns of the parties hereto, and shall be so construed that wherever applicable with reference to any of the parties hereto, the use of the singular number shall include the plural number, the use of the plural number shall include the singular number, the use of the masculine gender shall include the feminine gender, and shall likewise be so construed as applicable to and including a corporation or corporations that may be a party or parties hereto. The captions herein are for reference only. As used herein, the terms "Trustor" and "Beneficiary" shall be deemed to include their respective heirs, successors, legal representatives and assigns, whether by voluntary action of the parties or by operation of law. In the event that more than one person or entity is a Trustor hereunder, then all references to "Trustor" shall be deemed to refer equally to each of said persons or entities, all of whom shall be jointly and severally liable for all of the obligations of Trustor hereunder. The term "**Beneficiary**" shall mean the owner and the holder of the Note secured hereby, whether or not named as Beneficiary herein. Any appointment herein of Beneficiary as attorney-in-fact for Trustor shall be with full power of substitution. This Deed of Trust was prepared after negotiations by and between Trustor and Beneficiary; the fact that it has been typed by one party does not require the language of this Deed of Trust to be strictly interpreted against either Trustor or Beneficiary.

6.09 No Usury Intended. If from any circumstances whatever, payment or performance of any provision of this Deed of Trust or of the Note secured hereby, at the time performance of such provision shall be due, shall require a payment in excess of that permitted by any applicable law, the obligation to be paid or performed shall be reduced to the limit allowed by such law, so that in no event shall any exaction be possible under this Deed of Trust, the Note, or any other agreement given in connection herewith, that is in excess of any limitation of law. By acceptance of this Deed of Trust, Beneficiary expressly waives the right to demand any such excess. The provisions of this paragraph shall control every other provision of this Deed of Trust, the Note, and any other such agreement.

6.10 Time for Performance. Time is of the essence hereof. No failure on the part of Beneficiary to exercise any of its rights hereunder arising upon the occurrence of an Event of Default or any waiver thereof shall be construed to prejudice its rights in the event of any other or subsequent Event of Default. No delay on the part of Beneficiary in exercising any of such rights shall be construed to preclude it from the exercise thereof at any time during the continuance of such Event of Default. Beneficiary may enforce any one or more remedies or rights hereunder successively or concurrently at its option.

6.11 Changes. This Deed of Trust may not be changed orally but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. No waiver, change, modification or discharge of this Deed of Trust shall be binding and enforceable against the Beneficiary unless duly executed in writing by a corporate officer of the Beneficiary with an office located at Beneficiary's principal office.

6.12 Manner of Giving Notice. Unless otherwise required by applicable law, all notices required to be given hereunder shall be served personally, sent by overnight courier by a nationally recognized courier service, or by registered or certified mail, postage prepaid, return receipt requested, and addressed to Trustor, Trustee and Beneficiary at their respective addresses first above written. Such addresses may be changed by notice to the other parties given in the same manner as provided in this paragraph. Notices shall be deemed to have been given upon the receipt thereof if personally served, or three (3) days after depositing such notice in the U.S. Mail in accordance with this section.

6.13 Severability. If any one or more of the provisions of this Deed of Trust or the applicability of any such provision to a specific situation shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Deed of Trust and all other applications of such provisions shall not be affected thereby.

6.14 Waiver of Statute of Limitations. Trustor waives the provisions of any applicable statute of limitations, to the full extent permitted by law.

6.15 Governing Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Nevada, without reference to conflicts of laws principles.

6.16 Pari Passu. Trustor acknowledges that the lien of this Deed of Trust and the lien of that certain deed of trust dated of even date herewith (the "**Tahoe Shores Deed of Trust**") given by Trustor to First American Title Insurance Company, as trustee, for the benefit of Tahoe Shores, LLC ("**Tahoe Shores**"), as beneficiary are subject to the terms of that certain Intercreditor Agreement dated of even date herewith entered into between Tahoe Shores and Beneficiary (together with any amendments, modifications and substitutions thereof, the "**Intercreditor Agreement**") pursuant to which the liens, security interests and assignments of this Deed and the liens, security interests and assignments of the Tahoe Shores Deed of Trust share equal priority. Upon occurrence of an Event of Default, Beneficiary and Tahoe Shores shall determine, by mutual consent, whether and in what manner and to what extent, any and all rights under this Deed of Trust and the Tahoe Shores Deed of Trust shall be exercised, including, but not limited, to whether the Trust Property should be foreclosed and whether such foreclosure should be accomplished by deed in lieu of foreclosure, trustee's sale or judicial foreclosure. Neither Beneficiary nor Tahoe Shores, acting alone, shall have the right or authority to exercise such rights and remedies. If any Trust Property is acquired by Tahoe Shores or Beneficiary, acting as beneficiary of the Tahoe Shores Deed of Trust or Beneficiary under this Deed of Trust, through foreclosure, deed in lieu of foreclosure, or otherwise, such Trust Property shall be taken jointly in the name of Tahoe Shores

and Beneficiary or their agreed upon designee who shall hold, manage, operate, improve, complete, and attempt to sell the Trust Property.

6.17 Costs. Tahoe Shores and Beneficiary shall be responsible for its respective share of all costs and expenses associated with this Deed of Trust and the Tahoe Shores Deed of Trust or the exercise of any rights or remedies hereunder in equal percentages, including, without limitation, reasonable attorneys' fees and legal expenses, incurred in the negotiation of the subordination or intercreditor agreement contemplated by Section 5.02 and the exercise of remedies (including, without limitation, such costs and expenses arising from or relating to any bankruptcy proceeding involving Trustor or the Trust Property, including, without limitation, costs and expenses incurred in modifying the automatic stay, determining use of cash collateral and adequate protection, defending voidable transfers, or relating to any plan of reorganization), which are not promptly paid by Trustor or promptly recovered from the proceeds of the Trust Property and/or costs and expenses incurred in protecting and preserving the Trust Property.

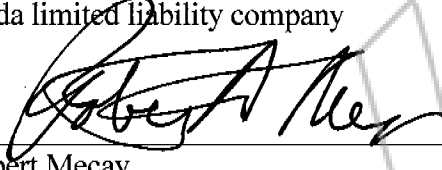
6.18 Recoveries. All recoveries by from exercise of remedies or payments received from obligors under the Trust Property shall be applied and paid in the following priority:

- (i) First, to payment of all out-of-pocket costs and expenses of Tahoe Shores and Beneficiary in exercising the approved remedies.
- (ii) Second, in equal to shares to each of Tahoe Shores and the Beneficiary.

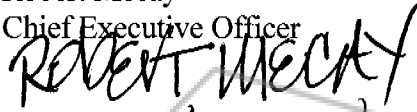
IN WITNESS WHEREOF, these presents have been executed the day and year first above written.

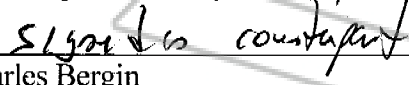
[END OF PAGE. SIGNATURE PAGE ATTACHED.]

BEACH CLUB DEVELOPMENT, LLC,
a Nevada limited liability company

By: 
Robert Mecay

Its: Chief Executive Officer



By: 
Charles Bergin

Its: Chief Financial Officer



BEACH CLUB DEVELOPMENT, LLC,
a Nevada limited liability company

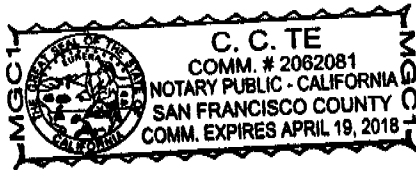
By: Signed in counterpart
Name: Robert Mecay
Title: Chief Executive Officer

By: Charles M. Bergin
Name: Charles Bergin
Title: Chief Financial Officer

COPY

STATE OF California
COUNTY OF San Francisco

This instrument was acknowledged before me on this 13th day of August, 2015 by Robert Mecay as Chief Executive Officer of Beach Club Development, LLC, a Nevada limited liability company.



A handwritten signature in black ink, appearing to be "C.C. TE".

(Signature of notarial officer)

(My commission expires: 4/19/2018)

C.C. TE
#2082081
EXP. 4-19-18

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on this _____ day of August, 2015 by Charles Bergin as Chief Financial Officer of Beach Club Development, LLC, a Nevada limited liability company.

(Signature of notarial officer)

(My commission expires: _____)

STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on this _____ day of _____, 2015 by Robert Mecay as Chief Executive Officer of Beach Club Development, LLC, a Nevada Limited Liability Company.

(Signature of notarial officer)

(My commission expires: _____)

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on this 21st day of August, 2015 by Charles Bergin as Chief Financial Officer of Beach Club Development, LLC, a Nevada Limited Liability Company.



Christina L. Davis
(Signature of notarial officer)

(My commission expires: 7/6/2019)

CHRISTINA L. DAVIS
EXP. 7-6-19

EXHIBIT "A"

Legal Description

Situated in the State of Nevada, County of Douglas, described as follows:

PARCEL NO. 1:

BEING A PORTION OF THE SOUTH ONE-HALF AND THE SOUTHEAST ONE QUARTER OF THE NORTHWEST ONE QUARTER OF SECTION 22, TOWNSHIP 13 NORTH, RANGE 18 EAST, M.D.B.&M., DESCRIBED AS FOLLOWS:

COMMENCING AT THE SECTION CORNER COMMON TO SECTIONS 22, 23, 26 AND 27 OF SAID TOWNSHIP AND RANGE; THENCE SOUTH 60°13' WEST, A DISTANCE OF 127.20 FEET; THENCE NORTH 61° WEST, A DISTANCE OF 1340.20 FEET TO THE MOST EASTERLY CORNER OF THE NEVADA STATE FARM BUREAU PROPERTY AS DESCRIBED IN THE DEED RECORDED JANUARY 7, 1954 IN BOOK B-1 OF DEEDS, AT PAGE 14, DOUGLAS COUNTY, NEVADA, RECORDS, BEING ALSO THE SOUTHWESTERLY CORNER OF THE PROPERTY SHOWN ON THE MAP OF OLIVER PARK, AS FILED ON FEBRUARY 2, 1959 IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA; THENCE NORTH ALONG THE EASTERLY LINE OF SAID FARM BUREAU PROPERTY, A DISTANCE OF 300.00 FEET TO AN ANGLE POINT, AND BEING THE NORTHWESTERLY CORNER OF LOT 16, IN BLOCK 3 AS SHOWN ON THE MAP OF OLIVER PARK; THENCE CONTINUING ALONG THE NORTHEASTERLY AND NORTHERLY LINES OF SAID FARM BUREAU PROPERTY, AND THE SOUTHERLY LINE OF THE PROPERTY CONVEYED TO TAHOE VILLAGE PROPERTIES, INC., BY DEED RECORDED AUGUST 19, 1955 IN BOOK B-1 OF DEEDS, AT PAGE 417, DOUGLAS COUNTY, NEVADA, RECORDS, NORTH 32°20'40" WEST, A DISTANCE OF 362.80 FEET; THENCE CONTINUING ALONG THE LINE COMMON TO SAID PROPERTIES NORTH 60°40'41" WEST, A DISTANCE OF 648.68 FEET, TO THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO R. D. KEILLOR, ET AL, BY DEED RECORDED APRIL 16, 1963 IN BOOK 16 OF OFFICIAL RECORDS, AT PAGE 695, DOUGLAS COUNTY, NEVADA, RECORDS; THE TRUE POINT OF BEGINNING; THENCE FROM THE TRUE POINT OF BEGINNING, NORTH 60°46'32" WEST (NORTH 60°40'53" WEST), 1744.35 FEET; (1744.33 FEET) THENCE NORTH 81°15'50" WEST (NORTH 81°12'08" WEST), 399.30 FEET (399.40 FEET) TO THE SOUTHWESTERLY CORNER OF THE PROPERTY CONVEYED TO TAHOE VILLAGE PROPERTIES, INC., AS ABOVE REFERRED TO; THENCE NORTH 00°02'04" WEST (NORTH), 217.00 FEET ALONG THE WEST LINE OF SAID PROPERTY; THENCE NORTH 86°49'14" EAST (NORTH 86°55'13" EAST), ALONG THE NORTHERLY LINE OF SAID PROPERTY, A DISTANCE OF 561.96 FEET; THENCE CONTINUING ALONG SAID NORTHERLY LINE, SOUTH 61°16'41" EAST (SOUTH 61°11'11" EAST), A DISTANCE OF 1747.00 FEET, TO A POINT FROM WHICH THE POINT OF BEGINNING BEARS SOUTH 28°48'49" WEST; THENCE SOUTH 28°44'42" WEST (SOUTH 28°48'49" WEST), ALONG THE NORTHERLY EXTENSION OF THE WESTERLY LINE OF THE PROPERTY

CONVEYED TO R. D. KEILLOR, ET AL, AS ABOVE REFERRED TO AND THE WESTERLY LINE THEREOF, A DISTANCE OF 366.03 FEET (365.71 FEET) TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 2:

BEGINNING AT A POINT ON THE MEANDER LINE OF LAKE TAHOE, WHICH POINT IS THE SOUTHWEST CORNER OF LOT 2, OF SECTION 22, TOWNSHIP 13 NORTH, RANGE 18 EAST, M.D.B.&M., THENCE ALONG A LINE HEREAFTER REFERRED TO AS COURSE 1, NORTH 89° 59' 24" EAST 509.52 FEET ALONG THE QUARTER SECTION LINE TO THE CENTER-WEST ONE SIXTEENTH CORNER (WEST ONE SIXTEENTH CORNER); THENCE SOUTH 00°02'04" EAST (SOUTH ALONG THE ONE SIXTEENTH LINE), 217.00 FEET; THENCE NORTH 89°11'56" WEST (NORTH 89°11'30" WEST), 457.06 FEET, TO A POINT ON THE MEANDER LINE, WHICH POINT IS SOUTH 14°02'15" EAST (SOUTH 14°00'00" EAST) 217.00 FEET FROM THE POINT OF BEGINNING: THENCE, CONTINUING NORTH 89°11'56" WEST (NORTH 89°11'30" WEST) 50 FEET, MORE OR LESS, TO A POINT ON THE ORDINARY LOW WATER LINE OF LAKE TAHOE AT ELEVATION 6223.00 LAKE TAHOE DATUM; THENCE, NORTHWESTERLY, 222 FEET, MORE OR LESS, ALONG SAID ORDINARY LOW WATER LINE AT 6223.00 LAKE TAHOE DATUM, TO A POINT ON THE WESTERLY EXTENSION OF THE AFORESAID COURSE 1; THENCE, ALONG THE WESTERLY EXTENSION OF THE AFORESAID COURSE 1, NORTH 89°59'24" EAST, 75 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING ANY PORTION OF THE ABOVE DESCRIBED PROPERTY LYING BELOW THE 6223.00 LEVEL OF LAKE TAHOE AND ALSO ANY ARTIFICIAL ACCRETIONS TO SAID LAND WATERWARD OF SAID LAND OR NATURAL ORDINARY LOW WATER OR IF LAKE LEVEL HAS BEEN ARTIFICIALLY LOWERED. EXCEPTING ANY PORTION BELOW SUCH ELEVATION AS MAY BE ESTABLISHED AS THE BOUNDARY BY BOUNDARY LINE ADJUSTMENT WITH THE STATE OR BY QUIET TITLE ACTION IN WHICH THE STATE IS A PARTY.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED FEBRUARY 7, 2002 IN BOOK 202, PAGE 2102 AS DOCUMENT NO. 534184 OF OFFICIAL RECORDS.